

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: PASCOAG UTILITY DISTRICT :
2021 STANDARD OFFER SERVICE : DOCKET NO. 5083**

**PASCOAG RESPONSES TO PUBLIC UTILITIES COMMISSION’S FIRST SET OF
DATA REQUESTS
DIRECTED TO PASCOAG**

Issued November 18, 2020

- PUC 1-1 Please update Table 1-MRK on page 1 of Mr. Kirkwood’s testimony to include the following for each source of supply listed:
- a. Beginning and ending dates of contract
 - b. Price per kWh in 2021
 - c. Expected kWh deliveries from the contract in 2021

Response to PUC 1-1 (response prepared by M. Kirkwood)
Please see the table below for the requested information:

Source	Percent	Type	Start Date	End Date	2020 \$/kWh	kWh expected
Brown Bear Hydro	1%	Hydro	06/01/2016	05/31/2021	.05196	1,496,000
Cabot/Turn. Hydro	7%	Hydro	01/01/2021	12/31/2030	.03626	4,216,000
Spruce Mountain	3%	Wind	06/30/2011	12/20/2026	.09925	1,638,000
Canton Wind	2%	Wind	01/01/2018	12/31/2037	.09940	1,254,000
NYPA-St. Lawrence	Total-	Hydro	05/01/2017	04/30/2032	Total NYPA	Total NYPA
NYPA-Niagara	13%	Hydro	09/01/2007	09/01/2025	.03651	7,640,000
Seabrook	18%	Nuclear	Life of unit	Life of unit	.02794	10,544,000
NextEra Seabrck	7%	Nuclear based	01/01/2020	12/31/2029	.04189	4,380,000
NextEra RISE	10%	Virtual gas	06/01/2013	05/31/2023	.05957	5,840,000
BP Energy	39%	Mostly fossil	01/01/2021	12/31/2023	.03685	19,098,000
Gravel Pit II	0%	Solar	ETA 2023	20 years	N/A	N/A
Gravel Pit III	0%	Solar	ETA 2023	25 years	N/A	N/A

Note: Cabot/Turner Falls Hydro is the contract recently signed and included with the Addendum to the Testimony of Michael Kirkwood.

- PUC 1-2 Please explain how Pascoag Utility District has been able to reduce the amount of annual write-offs from 2016 and again from 2019 to 2020.

Response to PUC 1-2 (response prepared by Harle Young)- In 2015, the District began training the staff for new roles and we were also transitioning our billing software to NISC. There were learning curves and unfortunately, the collections were not as

aggressive in the year leading up to the 2016 write offs. In 2016 we had several small business that folded and a several customers with high balances on agreements that filed for bankruptcy. We also had many foreclosures and a record number of customers who left the District without notice.

As the Customer Service Representatives (CSR) became more familiar with the new software, collections returned to more reasonable amounts. The District had its first customer sign up for the Arrearage Forgiveness Program in January of 2018. Also during that year we began training one of our CSR's in collections in order for her to take over the position in 2020 due to a retirement. The new CSR is doing a wonderful job staying on top of collections. Additionally we have 6 customers who are actively enrolled in the Arrearage Management Program (AMP). These customer must stay current with their monthly bills and in exchange for payment we forgive up to \$125 per month as long as they make their payments on time. In the past these customers would have been disconnected and we would have written their balance off if they left the service territory.

PUC 1-3 Please explain the pricing difference between the agreement with Gravel-Pit Solar II, LLC and Gravel-Pit Solar III, LLC (\$52.95/MWH vs \$51.95/MWH). Is it based on the amount of energy purchased (400kW vs 670 kW)?

Response to PUC 1-3 (prepared by M. Kirkwood) – each contract was negotiated separately; Gravel Pit II won a position in the recent state of Rhode Island second renewable energy solicitation, and subsequent to winning the bid the final contract was negotiated by National Grid, Pascoag, and Block Island Utility District with the DESRI, the parent entity of Gravel Pit Solar II. Gravel Pit Solar III was negotiated between Energy New England, on behalf of several public power entities from Rhode Island and Massachusetts with DESRI, and therefor different contract terms were negotiated for this agreement. I note that one of the differences between the two agreements is in the length of the contract term. Gravel Pit Solar III is a 25 year agreement, whereas Gravel Pit Solar II is a 20 year agreement, and often-times length of term will have a bearing on the negotiated rate, as one of many factors. We believe that the difference in energy purchased between the two agreements was likely not a factor in the price differential, because significant amounts of energy great than just Pascoag's needs were negotiated in total for both contracts with DESRI.

PUC 1-4 Please provide a timeline of the scheduled work to take place in 2021 regarding the agreement with Ocean State BTM, LLC for a battery storage device. Also provide a detailed description of the expected cost benefit of the battery storage device.

Response to PUC 1-4 (prepared by M. Kirkwood) – The battery storage device is one part of the non-wires alternative solution to Pascoag's transmission capacity needs across its interconnection with National Grid. The other part of the non-wires solution is the expansion of its substation, which is scheduled for completion prior to the peak summer period. Pascoag and New England Battery Storage are currently working with National

Grid to complete the National Grid System Impact Study (SIS) related to the battery storage device. Once the SIS has been completed, New England Battery Storage expects to order its equipment for installation in the 4th quarter of 2021. The substation expansion, however, being implemented prior to next summer, will allow Pascoag to serve its customers during peak summer conditions under normal operations. The expected cost benefit results for Pascoag, through implementing the substation expansion together with the battery storage device which is critical during contingency conditions, is through avoidance of significant upgrades that National Grid would need to make to its Nasonville substation, and its W41 and W43 feeder lines into Pascoag. Those costs were estimated by National Grid at between \$6 and \$12 million, and would be costs that Pascoag's customers would otherwise need to bear. Pascoag will be paying for the battery storage device over time through shared savings based on the expected decrease in ISO-NE transmission and capacity costs savings which will come from the use of the device to help Pascoag lower its peak load on the transmission system during high-load conditions. The substation expansion costs, on the other hand, are being paid through a loan provided by the Rhode Island Infrastructure Bank. This particular substation work would have also been needed and in addition to National Grid's other work estimated at the aforementioned \$6-12 million, had Pascoag instead of agreed to that alternative improvement project.

PUC 1-5 Referring to Schedule A, Line 192, please provide a detailed explanation for the negative line losses in the Summary of Revenue and Expenses for February (49,626 kWh), August (193,650 kWh) and September (355,548 kWh). Also, please explain why line losses in both June and July were in excess of 20%.

Response to PUC 1-5 (prepared by Harle Young) -This is caused by a timing issue. The power bills are for a particular month whereas the billing is done in six cycles. The bills are generated by read dates. For example the bills that are being generated for November will have an amount of days in October and some days in November. They do not match the power bill cycle. We may have high line losses in one month that is offset by negative line losses in the following months. If you average the negative -1.09% loss in February with the 10.46% loss in March the average is 4.69%. We also had 21.99% loss in June and 22.93% loss in July followed by negative line losses in August of -3.21 and negative line losses in September of - 7.73. If we average those four months the average line loss is 8.5%. We used estimates for October – December and estimated that the line losses for 2020 will be 8.47% for 2020 which is about average. The actual line losses in 2019 were 8.13% and 7.22% for 2018 and 8.03% in 2017.